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TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)
SUBJECT: MEDIA REACTION EU-LATIN AMERICAN SUMMIT
BOLIVIAN PRESIDENT EVO MORALES USG ALLEGED
EAVESDROPPING ON PHONE CALLS NOMINEE FOR US AMBASSADOR
TO ARGENTINA WAYNE TRI-BORDER 05/12/06;BUENOS AIRES

1. SUMMARY STATEMENT

Today's most important international stories include Bolivian President Morales ruling out compensation for nationalizing foreign oil and gas subsidiaries; the EU's belief Venezuelan President Chavez is a hurdle in reaching a deal between the EU and Mercosur; and statements from nominee for US Ambassador to Argentina, Earl Anthony Wayne; USG President George W. Bush denying the USG was eavesdropping on domestic phone calls without court approval.

2. OPINION PIECES AND KEY STORIES

- "Europe believes Chavez is an obstacle to a deal with the region"

Horacio Riggi, columnist of business-financial, center-right "InfoBae," writes (05/12) "The EU believes Venezuela's entry into Mercosur will hinder even further the possibilities of reaching an FTA with Mercosur.

"... According to a high-ranking EU source, 'There have been problems up to now, but we know which ones they are. With President Hugo Chavez, one never knows.'

"... The deal between the EU and Mercosur has been deadlocked for one year because neither side yields to the demands of the other one.

"Mercosur wants Europe to eliminate or substantially lower its farm subsidies... In exchange, the EU wants Mercosur to allow for a greater entry of (European) manufactured products, and also to let European companies participate in governmental purchases, as well as compete on equal terms with local companies in public bids."

- "Morales slashed out at oil companies and ruled out compensations"

Juan Carlos Algaaraz, on special assignment in Vienna for leading "Clarín," writes (05/12) "On what has become the focus of the EU-Latin American summit, Bolivian President Evo Morales announced yesterday that there will be no compensation for oil companies affected by nationalization of hydrocarbons, one of

which is Petrobras.

"Morales clarified that companies are entitled to recover investment and have profit. 'We should not be talking about compensation because it is not a confiscation of their assets or technology but a renegotiation of agreements.'

"Brazil's reaction did not take long. Helio Costa, Brazilian Minister of Communications, said that Bolivia 'has surpassed all limits,' and he termed the Bolivian decision as 'an insult.'"

- "Millions of US phone calls are eavesdropped without any court order"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (05/12) "The creation of a center of information at the National Security Agency with the registration of phone calls of millions of US citizens has sparked virulent reaction in the US Congress and harsh criticism on how the Bush administration is violating the people's right to privacy.

"... While the rage was growing yesterday morning in the US Congress, George W. Bush said that his government has acted lawfully and that it 'ferociously protects the privacy' of US citizens while it does everything necessary to prevent a new terrorist attack."

- "Washington asks for cooperation in the Tri-Border area"

Conservative "La Prensa" reports (05/12) "According to

a US State Department official, Argentina, Brazil and Paraguay are providing 'uneven' cooperation in the implementation of deals to share intelligence as part of the campaign against terrorism in the Tri-Border area.

"During a hearing at the US Lower House International Relations Committee, Henry A. Crumpton, coordinator of affairs against terrorism, said 'I would say there is slow progress.' 'We need to do more and help them more.'

"According to a US State Department report on the global war on terrorism, Islamic terrorist groups, such as Hezbollah and Hamas, 'are using this territory because it lacks firm regulations and because of its closeness to Muslim communities.'"

- "Wayne will arrive in the country with an agenda focused on business"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nación," writes (05/12) "According to the US Department of State, Earl Anthony Wayne will take over as the new US Ambassador to Argentina in late August or early September. His agenda will be focused on business, his field of expertise, and will have one main political topic of concern - the Argentine government's relationship with Venezuelan President Hugo Chavez.

"During a hearing at the US Senate, Wayne said 'It is important for Argentina to continue creating a positive investment climate.' 'In this way, the country will be able to 'consolidate the benefits of economic growth and deal with the real problem posed by poverty.'

"In a precise way, Wayne made clear his view - he

praised the reforms promoted by the Menem administration, termed the current view of the IMF and the US as a 'distortion', and he promised he will make a contribution for the (Argentine) government to promote a 'sustainable growth.'"

13. EDITORIALS

- "An incentive to investment"

An editorial in conservative "La Prensa" reads (05/12) "During a hearing at the US Senate, the nominee for US Ambassador to Argentina, Earl Anthony Wayne, expressed his concern because Argentina does not have a favorable climate for foreign investment. Perhaps too many foreign investment initiatives are aimed at purchasing already existing plants and there is not enough investment for the creation of new factories and jobs.

"... In most countries, a nine-percent growth rate is enough for boosting adequate investment. However, for some reason (whether it is hostility toward companies, high taxes, despise toward judicial security or the mere fact that Argentines do not set the example in investing in their own country), this does not happen in Argentina, and the quality of investment here is low."

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GUTIERREZ